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ABSTRACT

This self-study program for high-school level contains lessons on: Free Trade and Tariffs; Capitalism, Communism, Socialism; and Nationalism vs. Internationalism. Each of the lessons concludes with a Mastery Test to be completed by the student. (DB)

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ADVANCED GENERAL EDUCATION PROGRAM

A HIGH SCHOOL SELF-STUDY PROGRAM

FREE TRADE AND TARIFFS

LEVEL: III

UNIT: 2

LESSON: 1

AC014053

U.S. DEPARTMENT OF LABOR
MANPOWER ADMINISTRATION, JOB CORPS
NOVEMBER 1969

U.S. DEPARTMENT OF LABOR
MANPOWER ADMINISTRATION, JOB CORPS
NOVEMBER 1969

1. PREVIEW FRAME The United States trades with countries all over the world. Without foreign commerce, we would lack many of the things that we take for granted. Americans get coffee, tea, and cocoa from countries in South America, Africa, and Asia. Bananas are brought to us from Central America, and sugar from the Philippines. In order to produce steel, one of America's most important products, iron is mixed with nickel from Canada, chromium from Africa, and manganese from South America. Without foreign trade, Americans probably would not have telephones, since a telephone is made of materials imported from eighteen different countries. Just as America depends on getting goods from other countries, many countries depend on goods from America. Most countries also depend on foreign markets where they can sell the goods they produce. It would seem, therefore, that all countries would benefit by having a world trade system that would allow all nations to trade freely with one another. However, for reasons that you will discover in this lesson, nearly every country in the world has passed laws that limit world trade. NO RESPONSE REQUIRED	GO ON TO THE NEXT FRAME

2.

Most countries today must trade with other countries. They import the goods they need, and export the goods they produce.

Imports are goods that are:

- ☐ sold to other countries
- ☐ shipped to other countries
- ☐ bought from other countries
- ☐ shipped into the country from foreign countries

Exports are goods that are:

- ☐ sold in foreign markets
- ☐ bought from foreign countries
- ☐ shipped out of the country
- ☐ shipped into the country

bought from other countries

shipped into the country . . .

sold in foreign markets

shipped out of the country

3.

If countries could import and export goods without restrictions,* free trade would exist in the world.

However, most countries have passed laws that limit or restrict their imports and exports. As a result of these laws, there is:

- ☐ free trade among countries
- ☐ restricted trade among countries
- ☐ no trade among countries

restricted trade among countries

*A restriction is a rule or law that limits something.

4. Since most countries restrict their trade with other countries, free international trade does not exist today. "Inter" before the root of a word means "between or among." Therefore, the word "international" means: ☐ among countries ☐ among states ☐ among the people of one country <u>International free trade</u> would exist if: ☐ people in America were free to trade goods with people in nearby nations ☐ people of every nation were free to trade goods with people in every other nation ☐ several nations were free to trade with one another	among countries people of every nation were . . .
5. Laws that restrict the exchange of goods with other countries are <u>barriers</u> to international free trade. A <u>trade barrier</u> serves to: ☐ limit the amount of trading carried on among nations ☐ make it easier for nations to trade with one another ☐ make it impossible for nations to trade with each	limit the amount of trading . . .

6. The principal barrier to free international trade is the protective tariff, protective tariffs are special taxes which are placed on goods sent from one country to another. Several types of taxes are described below. WRITE the word TARIFF next to every example of a protective tariff. _____ a tax on every pack of cigarettes made and sold in the United States _____ a tax on a worker's yearly income _____ a tax on every foreign-made car brought into the United States to be sold here _____ a tax on all the land and valuable goods an individual owns _____ a tax on all American-made typewriters imported by other countries A tariff is a tax paid on: ☐ exports ☐ imports ☐ exports and imports	TARIFF TARIFF exports and imports
7. A tax on goods sent from one country to another is called a _____. 8. A tariff on imports is also called a duty. A duty is: ☐ tariff ☐ a tax paid on exports ☐ a tax paid on imports	tariff tariff

9. A tariff is: ☐ a trade barrier ☐ a tax that restricts exports and imports ☐ a duty on imports 10. The next few frames will explain how tariffs limit trade and why countries set up such obstacles to free trade. You can infer from this sentence that <u>obstacle</u> means: ☐ barrier ☐ barter ☐ duty ☐ import	a trade barrier a tax that restricts exports . . . a duty on imports barrier
11. Today, most countries place tariffs on <u>imports</u> rather than exports. For example, jewelry stores in the United States import some Swiss watches. If the United States government places a $3.00 tariff on each imported watch, the Swiss watchmakers will be charged $3.00 by the United States government for every watch they send to American jewelry stores. MATCH the following according to the above examples: A. government of Switzerland B. government of the United States C. Swiss watchmakers D. American jewelry stores 1. _____ sets the tariff 2. _____ pays the tariff	1. B 2. C

12. It costs a Swiss watchmaker $25.00 to produce a watch and ship it to the United States. The United States government charges him a $3.00 tariff on each watch. If he wants a $5.00 profit on each watch, how much will he have to charge an American jewelry store for each watch? ☐ $25.00 ☐ $28.00 ☐ $30.00 ☐ $33.00 ☐ $38.00	$33.00
13. You can see that the effect of charging tariffs on imported goods is that foreign producers: ☐ must lower the prices of the goods they want to export ☐ must raise the prices of the goods they want to export ☐ cannot sell goods in other countries ☐ do not have to pay duties on goods they export	must raise the prices of . . .

14.

Suppose that American manufacturers can sell watches profitably for $10.00 but that foreign manufacturers, because of lower labor costs, are able to make the same kind of watch, ship it to the United States, and sell it profitably for $8.00. If the United States government places a $4.00 tariff on each imported watch, the foreign manufacturer will have to charge at least $12.00 per watch.

How will this **affect** the sale of watches in the United States?

- ☐ American manufacturers will not be able to compete successfully with foreign manufacturers.
- ☐ Foreign manufacturers will sell more watches than the American manufacturers.
- ☐ Foreign manufacturers will not be able to compete successfully with American manufacturers.

. . . will not be able to . . . .

15.

You have seen that tariffs force manufacuturers to raise the price of goods they sell in foreign countries.

This makes it difficult for them to compete in foreign markets because domestically produced goods* may sell at a lower price.

An example of an American domestic product is a:

- ☐ pen imported into America from Japan
- ☐ radio made in America and exported to France
- ☐ watch manufactured and sold in America

watch manufactured and sold. . .

Why are domestic goods often cheaper than imported goods?

- ☐ Domestic labor is always cheaper.
- ☐ Domestic manufacturers do not have to pay tariffs.
- ☐ Domestically manufactured products are not as good.

Domestic manufacturers . . .

*Domestically produced goods are goods made in the same country in which they are sold.

16.

Since domestic manufacturers do not have to pay tariffs, they can sell their goods at lower prices than imported goods.

As a result:

- ☐ foreign manufacturers often find it difficult to compete with domestic industries
- ☐ Consumers often choose domestically-produced goods because they cost less
- ☐ foreign manufacturers sell more products than domestic manufacturers
- ☐ tariff restrictions force domestic industries to raise the prices of goods

/

foreign manufacturers often . . .

Consumers often choose . . .

17.

You have seen that tariffs make it difficult for manufacturers to sell their goods in foreign countries. You can infer from this that many countries set tariffs because they want to:

- ☐ encourage free international trade
- ☐ encourage the sale of foreign goods within their country
- ☐ protect their own industries from foreign competition

protect their own industries . . .

18.

Although some duties are set to raise revenue for the government, the main purpose of tariffs is to make it more difficult for foreign industries to compete with home industries. Governments who set tariffs are not trying to discourage trade with other countries. They are only trying to restrict it.

You can infer from the context above that a home industry is:

- ☐ a basic industry
- ☐ a domestic industry
- ☐ a foreign industry

a domestic industry

Why are most tariffs called protective tariffs?

- ☐ They protect consumers from high prices and goods of poor quality.
- ☐ They protect manufacturers from losing money in foreign markets.
- ☐ They protect domestic industries from competition with foreign manufacturers.
- ☐ They protect countries from having to trade with other countries.

They protect domestic . . . .

19.

The main purpose of a protective tariff is to:

- ☐ force home industries to offer better quality goods at lower prices
- ☐ give consumers a wide variety of goods to choose from
- ☐ prevent the sale of foreign goods at lower prices than domestic goods
- ☐ raise revenue for the government

prevent the sale of foreign . . .

20. Protective tariff: ☐ encourage the free flow of world trade ☐ restrict and control international trade ☐ prevent free international trade ☐ stop trade among different countries	restrict and control . . . prevent free . . .
21. PREVIEW FRAME You now understand what protective tariffs are, why they are set up, and how they work. Some people feel that tariffs are beneficial, while others feel they do more harm than good. You are ready to consider these opinions. The next few frames will discuss some of the arguments for and against protective tariffs. NO RESPONSE REQUIRED	GO ON TO THE NEXT FRAME

22.

Let us first consider the arguments in favor of having protective tariffs in the United States.

Some people point out that protective tariffs are desirable because they contribute to American prosperity.

This is their argument:

1. Tariffs raise the price of foreign goods, so that the same kind of goods produced domestically are cheaper in comparison.
2. Consumers will usually buy a lower-priced product rather than a product of the same kind and quality that costs more.
3. Tariffs increase the sale of domestic goods.
4. When American businesses sell a lot of goods, they can afford to pay higher wages.
5. When workers earn more, they can spend more money.
6. In this way, the entire national economy benefits.

According to the argument above, who benefits from a protective tariff?

- ☐ American consumers
- ☐ American laborers
- ☐ American manufacturers
- ☐ foreign manufacturers
- ☐ the American economy
- ☐ the international economy

American consumers
American laborers
American manufacturers

the American economy

23.

People who favor protective tariffs say that the tariffs lead to:

- ☐ national prosperity
- ☐ international prosperity

national prosperity

24.

Here is another argument in favor of protective tariffs.

1. When a nation lacks needed goods, it must either import or start to produce them.

2. The greater the variety of industries a nation can develop, the better it will be able to supply itself with needed products.

3. The more a nation can meet its own economic needs, the more self-sufficient it is. (Economically self-sufficient means "not dependent on other countries for goods.")

4. By restricting a nation's imports and encouraging the development of new domestic industries, tariffs contribute to a nation's economic self-sufficiency.

When we say that a nation is self-sufficient, we mean that it:

- ☐ exports many goods
- ☐ has very few industries
- ☐ lacks raw materials
- ☐ needs very few imports

needs very few imports

According to the argument above, how do protective tariffs contribute to a nation's self-sufficiency?

- ☐ By aiding the growth of its domestic industries.
- ☐ By bringing in additional government revenue.
- ☐ By increasing the quantity of its imports and exports.
- ☐ By limiting its imports.
- ☐ By providing a market for foreign goods.

By aiding the growth of . . . .

25.

When a nation decides to become economically self-sufficient, it sets up tariffs and tries to develop a wide variety of home industries. As you have seen, protective tariffs encourage a nation to develop many different kinds of industries so that it can provide for as many of its economic needs as possible.

Protective tariffs result in a nation having:

- ☐ less specialization of industries
- ☐ more specialization of industries
- ☐ many different kinds of products manufactured
- ☐ only a few kinds of goods produced

less specialization . . .

many different kinds of . . .

26.

A nation that has protective tariffs is likely to develop:

- ☐ a large variety of home industries and less specialization
- ☐ a small variety of home industries and more specialization
- ☐ a large variety of home industries and more specialization
- ☐ a small variety of home industries and less specialization

a large variety of home . . .

27.

No nation can be entirely self-sufficient since no country has every raw material it needs. However, many people believe that the more self-sufficient a nation is, the better off it is.

For example, nations at war with each other do not trade with one another. Especially in war-time, it is important for a nation to be able to produce what it needs.

When a nation is economically self-sufficient, it:

- ☐ does not need many imports
- ☐ imports many goods
- ☐ supplies most of its own needs
- ☐ depends on other countries to supply its needs
- ☐ has many different kinds of industries
- ☐ specializes in only a few kinds of industries

It is especially important for a nation to be able to produce what it needs during times of:

- ☐ war with other nations
- ☐ peace among all nations

does not need many imports

supplies most of its own needs

has many different kinds of . . .

war with other nations

28.

You have seen that people who favor tariffs do so on the grounds that they contribute to national prosperity and economic independence. On the basis of these arguments alone, it would seem that there would be no cause for objections to tariffs.

However, as you will see in the next few frames, people who oppose tariffs also have arguments to support their point of view.

People who favor tariffs argue that tariffs:

- ☐ help to develop the national economy
- ☐ help to develop international prosperity
- ☐ encourage a nation's economic self-sufficiency
- ☐ encourage a nation to depend on other countries economically

. . . the national economy

. . . self-sufficiency

29.

Some people point out that setting up tariffs leads to ill will (bad feelings) among nations. For example, suppose that America places a high tariff on perfume, which is one of France's leading export products. A tariff would decrease France's sale of perfume in America and this would result in a certain amount of friction between the two nations.

From this context, you can infer that friction means:

- ☐ borrowing
- ☐ disagreement
- ☐ friendliness
- ☐ trade

disagreement

Which of the following statements best summarizes the argument above?

- ☐ High tariffs tend to create peaceful relations among nations.
- ☐ Trade barriers are one cause of the lack of good will among nations.
- ☐ High tariffs cause wars.

Trade barriers are one . . . .

30.

Here is another argument <u>against</u> protective tariffs:

1. If the United States places high tariffs on many goods, other nations will be unable to sell as many goods to the United States. These nations will have unfriendly feelings toward the United States.

2. This ill will usually leads other nations to refuse to import as many United States goods.

3. As a result, America's exports will decrease.

Which of the following best summarizes this argument?

- ☐ If a country sets high tariffs, then its exports will decrease.
- ☐ If a country sets up duties on its imports, then the exports of all other countries decrease.
- ☐ If a country sets up a system of protective tariffs, ill will is created among the nations of the world.

. . . its exports will decrease.

31.

Another objection to tariffs is that they prevent free international trade.

Free international trade would benefit all the nations of the world because it would allow them to sell more goods in foreign markets.

According to the above opinion, tariffs:

- ☐ always benefit individual nations
- ☐ are obstacles to international prosperity
- ☐ contribute to world prosperity
- ☐ increase foreign trade and international good will

are obstacles to international.

32.

The following is taken from a speech made by Mr. Gordon:

> Protective tariffs are one of the main causes of friction among nations. These frictions are the seeds of war. We lack an atmosphere of friendly co-operation in which nations can freely exchange goods. Instead we have feelings of ill-will among nations and tariff blocks to the free flow of goods. As a result, the world's economy is not developing as fast and as much as it could under a free trade system.

Which of the following statements would Mr. Gordon agree with?

☐ "Trade barriers result in friction among nations."	"Trade barriers result in . . .
☐ "Protective tariffs result in a spirit of world peace."	
☐ "Tariffs decrease the quantity of goods imported and exported throughout the world."	"Tariffs decrease the . . . .
☐ "Tariffs contribute to international prosperity."	
☐ "If obstacles to trade were removed, the economy of all nations would benefit."	"If obstacles to trade were . . . .

33. WRITE the word FOR next to every statement that might be made by someone arguing <u>in favor</u> of tariffs. WRITE the word AGAINST next to every statement that might be made by someone <u>opposed</u> to protective tariffs. _____ The free flow of goods in international trade will lead to prosperity for all nations. _____ Tariffs lead to prosperity for the individual nations who set them. _____ Setting tariffs tends to decrease a nation's exports, as well as its imports. _____ Setting tariffs helps to develop a nation's domestic industries. _____ A nation's economic self-sufficiency is aided by its tariffs. _____ Nations need to be economically independent in case of war.	AGAINST FOR AGAINST FOR FOR FOR
34. MATCH the following terms: 1. _____ home — A. duty 2. _____ tariff — B. domestic 3. _____ obstacle — C. barrier 4. _____ success — D. self-sufficiency 5. _____ indepen-dence — E. prosperity Trade restrictions are laws that: ☐ encourage trade ☐ forbid trade ☐ limit trade	1. B 2. A 3. C 4. E 5. D limit trade

35. The main purpose of a protective tariff is to: ☐ force home industries to produce better goods at lower prices ☐ offer consumers a wide variety of goods ☐ prevent the sale of foreign goods at lower prices than domestic goods ☐ raise revenue for the government	prevent the sale of foreign . . .
36. The effects of charging tariffs are that: ☐ domestic industries become more specialized ☐ domestic industries become more varied ☐ the number of foreign goods available is lowered ☐ the price of foreign goods is lowered ☐ the quantity of exports is increased ☐ the quantity of imports is increased	. . . become more varied the number of foreign goods . . .

37.

CHECK each of the following statements that could be used as arguments in favor of having protective tariffs.

- ☐ Trade restrictions are blocks to international prosperity.
- ☐ Protective tariffs encourage a nation to be self-sufficient.
- ☐ A country needs to be economically independent, in case of war.
- ☐ Tariffs protect domestic industries from foreign competition.
- ☐ Trade barriers cause friction among nations of the world.
- ☐ Tariffs decrease the imports and exports of a nation.
- ☐ If obstacles to trade were removed, the economy of all nations would benefit.

Protective tariffs encourage . . . .

A country needs to be . . . .

Tariffs protect domestic . . . .

38.

In this lesson, you have seen how tariffs operate, and how they **affect** international trade. You have also learned the different attitudes that people have about such restrictions -- that some people feel that tariffs help a nation, while others feel that reducing or doing away with tariffs would benefit the international economy.

In the lesson that follows, you will learn that these two attitudes are also present in the issue of how governments should treat each other, and how nations should regard one another.

NO RESPONSE REQUIRED

Time completed _____

YOU HAVE NOW FINISHED THE FIRST PART OF THIS LESSON. WRITE DOWN THE TIME. THEN, AFTER YOU HAVE REVIEWED THE MAIN IDEAS IN THE FOLLOWING SUMMARY, TAKE THE MASTERY TEST AT THE END OF THE BOOKLET.

IMPORTS	goods coming into one country which are bought from another country. Example: America imports (buys) coffee from South America.
EXPORTS	goods produced in one country and sold to another country. Example: America exports (sells) cars to countries in Europe -- European countries import cars from America.
INTERNATIONAL FREE TRADE	trading among countries throughout the world without restrictions (without rules and regulations)
TRADE BARRIERS	laws which limit the amount of trading carried on among nations. These laws are barriers or limitations to free trade.
PROTECTIVE TARIFF	a tax placed mainly on goods imported from other countries. Example: The United States imports Swiss watches. The United States sets the amount of the tax (tariff) and the Swiss watch exporter pays this tax. tariffs protect domestic* industries from foreign competition. tariffs are a trade barrier because they restrict free trade with other countries. *Domestic - relating to one's own home or country; domestically produced goods are made in the same country in which they are sold. The opposite of domestic is foreign.
DUTY	another name for the tax (tariff) placed on imported goods
ECONOMICALLY SELF-SUFFICIENT	a nation which can produce the goods it needs and does not have to import materials and products in order to survive is referred to as economically self-sufficient.

MASTERY TEST

Time started _____

1. What effects does a protective tariff have?

   a. ☐ It decreases the number of exports.

   b. ☐ It decreases the specialization of home industries.

   c. ☐ It increases the amount of foreign trade.

   d. ☐ It increases the number of imports.

   e. ☐ It increases the price of imports.

   f. ☐ It increases the variety of home industries.

2. What one group would most benefit from a protective tariff placed on tobacco imported into the United States?

   a. ☐ American tobacco consumers

   b. ☐ American tobacco producers

   c. ☐ foreign tobacco producers

   d. ☐ the American government

3. A protective tariff is designed to protect:

   a. ☐ consumers from having to pay high prices

   b. ☐ domestic industries from foreign competition

   c. ☐ foreign manufacturers from losing money

   d. ☐ small home industries from competition with large home industries

   e. ☐ the American government from not collecting enough revenue

4. Which one of the following statements could be used as an objection to having high protective tariffs?

a. ☐ They contribute to American prosperity.

b. ☐ They control competition from foreign manufacturers.

c. ☐ They encourage economic self-sufficiency.

d. ☐ They protect domestic industries.

e. ☐ They restrict free international trade.

5. Which one or more of the following could be used as arguments for America's having high protective tariffs.

a. ☐ America needs to become economically self-sufficient in case of war.

b. ☐ Duties that restrict imports have the effect of reducing exports.

c. ☐ High tariffs create international ill will and friction.

d. ☐ Home industries need help in meeting competition from foreign manufacturers.

e. ☐ Tariffs are obstacles to the free flow of goods in world trade.

f. ☐ World prosperity results from international free trade.

Time completed _____

WHEN YOU HAVE FINISHED THIS TEST, WRITE DOWN THE TIME. THEN TAKE THE LESSON TO YOUR INSTRUCTOR OR HIS ASSISTANT FOR CHECKING. WAIT UNTIL THE LESSON IS APPROVED BEFORE GOING ON TO THE NEXT LESSON.

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ADVANCED GENERAL EDUCATION PROGRAM

A HIGH SCHOOL SELF-STUDY PROGRAM

CAPITALISM, COMMUNISM, SOCIALISM

LEVEL: III

UNIT: 2

LESSON: 2

U.S. DEPARTMENT OF LABOR
MANPOWER ADMINISTRATION, JOB CORPS
NOVEMBER 1969

U.S. DEPARTMENT OF LABOR
MANPOWER ADMINISTRATION, JOB CORPS
NOVEMBER 1969

A common expression which you might read in the newspaper or hear on a news broadcast is, "We live in a "shrinking world." The world isn't actually getting smaller in a physical sense, rather man has mastered the problem of traveling the same distances in much less time. The jet plane makes it possible to reach in hours the distant places that used to take months. Rapid postal service, telephone and telegraph lines and now radio space satellites enable us to communicate easily with people anywhere on the globe. Modern technology has, in a sense, stretched our borders to meet those of nations the world over.

Not only are we able to communicate with the people in other nations but today the affairs of one nation necessarily become the concern of many nations. In his Inaugural Address (January 20, 1961) President Kennedy committed the United States to the continual involvement in the international (among nations) struggle for peace. He said, "Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and success of liberty." In this statement Kennedy outlined the basis for the United States' foreign policy, which means our plan for dealing with other nations. Our policy would be to encourage international (world) cooperation to promote freedom throughout the world.

The United States set up an organization of volunteer workers called the Peace Corps. In order to promote peace, good will and the spirit of democracy Peace Corps volunteers help educate and give technical assistance to countries in Latin America, Asia and Africa. The European countries have also expanded beyond their borders and have joined hands in a partnership called the European Common Market which encourages trade among the European countries and their former Africa colonies. These are just two examples of the ways nations extend their influence and cooperate with one another.

Nations can't isolate themselves from other nations in today's world. Important political or economic decisions made by one nation affect other nations.

Since our world is "shrinking," and since we are dependent upon other nations not only for trade but for the maintenance of peace, it is important for us to understand the workings of the governments in other countries.

1. PREVIEW FRAME The words capitalism, socialism and communism are in common use -- in newspapers and books, on radio and TV, in ordinary discussions. These "isms," as they are called, are simple labels (names) for complex ideas. Most people do not really understand their full meanings, so they use them incorrectly. To different people, they have different meanings. This confusion results in bitterness and name-calling. In this lesson, you will learn what the "isms" stand for. Then you can think intelligently, on your own, about the systems and ideas behind the labels. NO RESPONSE REQUIRED	GO ON TO THE NEXT FRAME

2.

One reason for the misunderstanding about the "isms" is that they represent ideas about both political and economic systems.

A political system deals with government: how it is chosen and set up, and what it does.

An economic system deals with the production of goods, the distribution of wealth (money and property), the control and ownership of land and industry.

It is sometimes difficult to separate political theories from economic theories. You have already learned about controversial issues which combine political and economic ideas -- free enterprise versus government control of business, individualism versus social legislation.

When someone says "Government should stay out of business," he is expressing:

- ☐ only an economic opinion
- ☐ only a political opinion
- ☐ an economic and political opinion

an economic and political opinion

Social legislation involves government in taking care of the economic welfare of the people. If you favor or oppose social legislation, you have an opinion about:

- ☐ a strictly economic issue
- ☐ a strictly political issue
- ☐ an economic and political issue

an economic and political issue

3. The "ism" Americans are most familiar with is capitalism, because our country is the world's most prosperous capitalist country. Capitalism is a free enterprise system where land, business, and industry are owned and run by individual citizens. In general, people who favor capitalism want the government to help business prosper but not to interfere with it. They believe people should take care of their own economic needs without help from the government. A man who believes in a pure capitalistic system would probably be in favor of: ☐ government control of business ☐ high taxes ☐ laissez-faire individualism ☐ social legislation	laissez-faire individualism
4. CHECK any opinion that is capitalistic. ☐ A nation's wealth should be distributed among all its citizens. ☐ Any person is entitled to have as much money as he can earn. ☐ A laissez-faire policy may help businessmen, but it is harmful to the majority of citizens. ☐ Businesses should be allowed to grow as large and wealthy as possible. ☐ It is wrong for a nation to have a few rich people and many poor people.	Any person is entitled to . . . . Businesses should be . . . .

5. The United States began as a purely capitalistic society, but it has changed over the years. Which of the following are examples of a movement <u>away from</u> pure capitalism? ☐ anti-trust laws ☐ income taxes on business profits ☐ the growth of big business ☐ the Social Security Act Capitalism deals mainly with economic ideas. Does it include any political theories (about the role government should play)? ☐ yes ☐ no	anti-trust laws income taxes on business profits the Social Security Act yes
6. INFORMATION FRAME There are differences of opinion among people who consider themselves capitalists. At one time, all capitalists were strongly opposed to any form of social legislation, and to laws which regulated business in any way -- such as Social Security laws, minimum wage laws, anti-trust laws. Today, most people who believe in capitalism accept the need for some social legislation and government control of business. They differ in how many of these laws they consider necessary. A few people still cling to the traditional capitalist view, opposing even the graduated income tax. NO RESPONSE REQUIRED	GO ON TO THE NEXT FRAME

7.

Socialism is probably the least understood of the "isms."

In a purely socialist system, the community (the people) as a whole owns and controls all land and capital.* The government, representing the community, is responsible for the economic and social welfare of all the citizens.

Socialism concerns itself with what the government <u>does</u>, but <u>not</u> with how the government is chosen and set up.

Socialism is:

- ☐ only an economic theory
- ☐ only a political theory
- ☐ both an economic and political theory

both an economic and . . .

Socialism and capitalism are:

- ☐ almost the same in their ideas
- ☐ almost the direct opposites of each other

almost the direct opposites . . .

What would a socialist be in favor of?

- ☐ free enterprise
- ☐ government control of business
- ☐ individualism
- ☐ laissez-faire
- ☐ social legislation

government control of business

social legislation

*<u>Capital</u> includes money, natural resources (such as coal, oil and water power), and the means of production (factories).

8. Which of the following are true about <u>both</u> socialism and capitalism? ☐ Both are mainly economic theories. ☐ Both are mainly political theories. ☐ Both deal with how a government is chosen and set up. ☐ Both deal with what government should or should not do in economic matters. What is the <u>major</u> difference between the two "isms"? ☐ Their attitudes toward government control or ownership of business and industry. ☐ Their attitude about taxes. ☐ Their attitude about representative democracy.	Both are mainly economic theories. Both deal with what . . . . toward government . . .
9. Socialists believe that a country's capital should be owned by the government. Some socialists believe that the government should own and operate <u>all</u> businesses and control <u>all</u> the wealth of a nation. Other socialists believe that only the basic industries (the <u>most important</u> industries) and services should be in government hands. Which of the following opinions are socialistic? ☐ Free public schools should be replaced by private schools. ☐ Utilities (power, water and telephone companies) and heavy industries such as steel mills should be run by the government. ☐ The government should take over every farm, factory and store in the country. ☐ The quickest way to ruin a business is to turn it over to government employees.	Utilities (power, water and . . . . The government should . . . .

10.

Socialists also believe that government should use its power to take care of the needs of the people.

Which of the following statements would a socialist probably agree with?

- ☐ If people do not earn enough money to pay for adequate medical care, they should go without it.
- ☐ The government should provide medical services for those who cannot afford them. Other people should pay for their own medical care.
- ☐ The government should see to it that everyone in the country has adequate medical care.
- ☐ The welfare of every citizen is best served by the government.
- ☐ The welfare of every citizen is best served by a policy of individualism.

. . . provide medical . . . .

. . . that everyone . . . .

. . . by the government.

11.

MATCH the following:

A. Capitalism

B. Socialism

1. _____ Business should be owned and run by private individuals.
2. _____ The government should be responsible for the economic welfare of its citizens.
3. _____ The government should own and operate businesses.

1. A
2. B
3. B

8

12. We have noted that the United States is moving away from pure capitalism. You can say that it is moving toward (what ism?) _____.	socialism
13. Many socialists believe in having free elections, so that citizens can have a voice in determining government policies. Many, if not most, capitalists also believe in free elections. Can a country be <u>both</u> socialistic and democratic? ☐ yes ☐ no Can a country be <u>both</u> capitalistic and democratic? ☐ yes ☐ no	yes yes
14. Anarchism, as you learned in a previous lesson, is the idea that any government should be given as little power as possible, because governments do more harm than good. Which would an anarchist be more likely to favor? ☐ capitalism ☐ socialism	capitalism

15. Few capitalists in our country are anarchists. The United States is a representative democracy -- a form of government favored by the vast majority of Americans. Democracy is an idea about how governments are chosen and set up. A believer in democracy could also believe in: ☐ capitalism ☐ socialism ☐ both of the above ☐ neither of the above	both of the above
16. The subject of form of government brings us to the major "ism" -- communism. In the theory of communism, political and economic ideas are equally important. Communists, like socialists, believe that ownership and control of the means of production should be in the hands of the government. In a communist system, the government represents the working people of the country. But communists also believe that the government should be in the hands of just one political party. No one is permitted to disagree with the viewpoints of the party and its leaders. Candidates in elections all belong to this party and are chosen by the party leaders. A country with a communist system favors: ☐ capitalism ☐ socialism A socialist country: ☐ might or might not be a communist country ☐ must also be a communist country In a communist country, the people can vote to: ☐ change the political party in power ☐ decide who will be the candidates in an election ☐ chose one candidate from several selected by the party in power ☐ disagree with the ruling party	socialism might or might not be a . . . chose one candidate from . . .

17.

Socialists who believe that the people should choose their leaders freely from among several parties are called democratic socialists.

Unlike the communists, democratic socialists believe that the citizens of a country have the right to decide who can best represent them and carry out their ideas.

Which of the following systems could favor government ownership of the means of production?

- ☐ capitalists
- ☐ communists
- ☐ democratic socialists

communists
democratic socialists

Which of the following could believe in having more than one political party?

- ☐ capitalists
- ☐ communists
- ☐ democratic socialists

capitalists

democratic socialists

18.

In what way do communism and democratic socialism differ?

- ☐ in economic ideas
- ☐ in political ideas
- ☐ both of the above
- ☐ neither of the above

in political ideas

19. WRITE T for true or F for false next to each statement: _____ All communists believe in representative democracy. _____ All communists believe in socialism. _____ All democratic socialists believe in representative democracy. _____ All socialists believe in communism. _____ All socialists believe in representative democracy. _____ Some communists believe in representative democracy. _____ Some socialists believe in representative democracy.	F T T F F F T
20. MATCH the following: A. capitalism B. communism C. democratic socialism 1. _____ Business and industry should be privately owned and controlled. 2. _____ One political party should control the nation's economic affairs and take care of the people's needs. 3. _____ The government should control business and industry and provide for the welfare of the people. 4. _____ The people should vote to choose which political party will be in power.	1. A 2. B 3. B, C 4. A, C

12

21.

In the United States and other countries today, businesses and governments have grown very large. Many people are afraid that government or business may become too powerful, and use their power against the interests of the citizens of the country.

Who would be most likely to fear government power?

- ☐ anarchists
- ☐ capitalists
- ☐ communists
- ☐ democratic socialists

anarchists
capitalists

Who would be most likely to fear the power of privately-owned business?

- ☐ anarchists
- ☐ capitalists
- ☐ communists
- ☐ democratic socialists

communists
democratic socialists

22.

"We are better off without any government at all. Governments are all bad -- the bigger they are, the worse they are."

Who would be most likely to make this statement? (CHECK one.)

- ☐ an anarchist
- ☐ a capitalist
- ☐ a communist
- ☐ a democratic socialist

an anarchist

23. "The job of the government is to look out for the interests of the people, by controlling all wealth and the means of production. There should be only one political party, because one party can run things most efficiently." Which one would be most likely to make this statement? ☐ an anarchist ☐ a capitalist ☐ a communist ☐ a democratic socialist	a communist
24. "It is okay for governments to help business grow, but they have no right telling businessmen what to do." Which one would be most likely to make this statement? ☐ an anarchist ☐ a capitalist ☐ a communist ☐ a democratic socialist	a capitalist
25. "The people need the help of the government in controlling business and providing them with economic and social security. They should have a free choice of their leaders from a number of political parties." Which one would be most likely to make this statement? ☐ an anarchist ☐ a capitalist ☐ a communist ☐ a democratic socialist	a democratic socialist

26.

Rarely does any one "ism" exist in pure form in any country.

Countries that call themselves socialistic, for example, differ greatly from each other. Great Britain, Russia and China all consider themselves socialist, but in Britain only basic industries are government-owned, in Russia a few small independent businesses are permitted, and in China everything is strictly government-owned and run.

Capitalism, too, varies from place to place and from time to time. The United States, as you have seen, has become less capitalistic as the government has become more involved in business and social welfare.

Now that you have learned the fundamental ideas about the "isms," use this knowledge to help you understand what is going on in the world today. Do not apply labels loosely -- and remember that no label ever completely describes a situation.

NO RESPONSE REQUIRED

Time completed _____

YOU HAVE NOW FINISHED THE FIRST PART OF THIS LESSON. WRITE DOWN THE TIME. THEN, AFTER YOU HAVE REVIEWED THE MAIN IDEAS IN THE FOLLOWING SUMMARY, TAKE THE MASTERY TEST AT THE END OF THE BOOKLET.

A POLITICAL SYSTEM	the way the government is organized, that is; who runs the government how the government is chosen; the way it works; how laws are made; what the government does; what services the government gives to its citizens.
AN ECONOMIC SYSTEM	the economic system determines the way a country manages business and industry, money, and property ownership. Economic systems differ as to whether the individual or the government owns and controls the land and industry.
CAPITALISM	basically an economic system (involving political ideas as well) which encourages individual or private ownership and control of business and property, rather than government ownership. Under a laissez-faire form of capitalism there is no government control. However, the capitalist economy in America today is regulated by the United States Government through such laws as social security, minimum wage and antitrust.
CAPITAL	a general label which refers to money, natural resources (coal, oil, water), and means of production (factories). Capitalism is the theory concerning the control and distribution of the nation's capital.
SOCIALISM	both an economic and political system in which the government rather than the individual owns and controls all the property and business in the country. Through its social legislation, the United States is moving away from pure capitalism toward socialism.

DEMOCRACY	a political system in which the citizens in a state or nation freely decide how their government is chosen and set up. A believer in democracy can also believe in capitalism or socialism.
COMMUNISM	both a political and economic idea which favors socialism, that is, government ownership and control of the means of production, and favors only one political party. A communist system permits almost no disagreement with the ruling party.
DEMOCRATIC SOCIALISM	a belief in democracy as a political theory and socialism as an economic theory. A democratic socialist believes that they should have free choice in selecting their political representatives, but they favor government ownership of the means of production.
ANARCHISM	an idea that all government is bad; that government should not interfere with the freedom of the individual. An anarchist believes in doing away with government altogether.

MASTERY TEST

Time started _____

1. A person who believes in having a representative democracy could also believe in (CHECK any answer that is correct):

   a. ☐ anarchism

   b. ☐ capitalism

   c. ☐ communism

   d. ☐ democratic socialism

2. MATCH the following:

   A. capitalism

   B. socialism

   1. _____ Government should allow businesses to regulate themselves.

   2. _____ Government should control the nation's wealth.

   3. _____ Government should operate businesses.

3. The United States today can best be described as (CHECK one):

   a. ☐ more anarchistic than 50 years ago

   b. ☐ more capitalistic than 50 years ago

   c. ☐ more individualistic

   d. ☐ more socialistic

   e. ☐ the same as it was

4. Which one of the following would be most in favor of government regulation of economic affairs?

a. ☐ an anarchist

b. ☐ a capitalist

c. ☐ a socialist

5. Under which one system would the people have the least voice in running the government:

a. ☐ anarchism

b. ☐ capitalism

c. ☐ communism

d. ☐ democratic socialism

6. Which one of the following would be most opposed to government regulation in economic and political affairs?

a. ☐ anarchist

b. ☐ capitalist

c. ☐ communist

d. ☐ democratic socialist

7. Mr. Randolph believes that capitalism is the best economic system. CHECK any statement with which he would be likely to agree.

a. ☐ Any citizen is entitled to make as much money as he can and to keep whatever he earns.

b. ☐ It is not right that some citizens have a lot of money while others don't have enough.

c. ☐ The government should interfere as little as possible.

d. ☐ The government should raise taxes to get money for economi aid to people who need it.

e. ☐ The more industries the government operates, the better off the whole nation will be.

Time completed _____

WHEN YOU HAVE FINISHED THIS TEST, WRITE DOWN THE TIME. THEN TAKE THE LESSON TO YOUR INSTRUCTOR OR HIS ASSISTANT FOR CHECKING. WAIT UNTIL THE LESSON IS APPROVED BEFORE GOING ON TO THE NEXT LESSON.

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ADVANCED GENERAL EDUCATION PROGRAM

A HIGH SCHOOL SELF-STUDY PROGRAM

NATIONALISM VS. INTERNATIONALISM

LEVEL: III

UNIT: 2

LESSON: 3

U.S. DEPARTMENT OF LABOR
MANPOWER ADMINISTRATION, JOB CORPS
NOVEMBER 1969

U.S. DEPARTMENT OF LABOR
MANPOWER ADMINISTRATION, JOB CORPS
NOVEMBER 1969

1. PREVIEW FRAME Foreign policy is the way in which nations deal with one another. In the last lesson, you learned about foreign policy in connection with trade between nations. In this one, you will discover how foreign policy affects a nation's political and military decisions. NO RESPONSE REQUIRED	GO ON TO THE NEXT FRAME
2. Every nation in the world today must deal with other nations. For example, nations help each other with economic problems and enter into treaties (agreements) with one another. The way in which a nation deals with other nations is called its foreign policy. Everything a government does reflects either its domestic or its foreign policy. MARK an F next to every example of America's foreign policy. MARK a D next to every example of America's domestic policy. _____ agreeing to protect Canada against invasion _____ fighting in Viet Nam _____ providing Social Security benefits _____ restricting the growth of big business _____ sending a representative to the United Nations _____ sending surplus food to India _____ setting up the Peace Corps* *Peace Corps volunteers are unpaid workers and teachers in underdeveloped countries.	F F D D F F F

3. PREVIEW FRAME Foreign policies differ. For example, some nations prefer to keep to themselves, while others favor involvement in world affairs. Foreign policies change as the world situation changes. Today, the United States is involved with other nations in many different ways. Throughout most of our history, however, we have tried to stay out of the affairs of other nations. The history of America's foreign policy will help you understand the kinds of relationships nations can have with one another. NO RESPONSE REQUIRED	GO ON TO THE NEXT FRAME
4. Before the Revolutionary War, England determined the foreign policy of its American colonies. Naturally, England's decisions were based on her own interests, not the colonies'. The interests of the newly independent colonies, now the United States, were different from England's. The United States needed to develop its economy, so it began to trade with other nations besides Great Britain. But America did not want to become involved in Europe's political problems, because it could not afford to waste its energies. Which of the following best describes America's foreign policy after its independence? ☐ America was not interested in matters that only politically concerned European countries. ☐ The nation did not want to trade with other countries. ☐ The United States wanted nothing to do with other countries.	America was not interested . . .

5.

America did not want to take sides in European political disputes. That is, after the Revolution, America wanted to remain neutral in disagreements among European nations.

If its foreign policy is neutrality, a nation is most likely to:

- ☐ go to war to defend another country from invasion
- ☐ stay out of all disputes that do not directly concern it
- ☐ support a foreign country quarreling with another country

stay out of all disputes . . .

6.

An alliance is a political agreement among nations who join together for their common interests. For example, several nations might form a military alliance for mutual protection in case any one of them is attacked.

America was not interested in joining any alliances because it wanted to remain neutral.

When might nations want to enter into an alliance?

- ☐ An alliance would make it easier for them to remain neutral.
- ☐ Their combined strength would discourage an enemy from attacking any one of them.
- ☐ They want to show the rest of the world that they are on friendly terms with one another.

Their combined strength . . .

They want to show . . .

A policy of neutrality:

- ☐ favors alliances
- ☐ opposes alliances

opposes alliances

PANEL 1

The following is adapted from a speech by George Washington, given in 1796:

> The great rule of conduct for us, in regard to foreign nations, is to increase our commercial relations with them while having as little political connection as possible.
>
> Europe has interests which have little or no relation to us. Therefore, she becomes involved in frequent disagreements, the causes of which are basically foreign to our own interests. Hence, it would be unwise for us, by agreeing to unnatural ties, to become involved in the ups and downs of her politics or in her friendships and disputes.
>
> Our detached and distant location invites and allows us to follow a different course of action. Why should we give up the advantage of such a situation? Why should we, by interweaving our affairs with those of any part of Europe, endanger our peace and prosperity by becoming entangled in the problems of European rivalry and ambition?

7.

In a speech given in 1796, George Washington stated his ideas about America's foreign policy. READ Panel 1, then answer the questions below.

According to Washington's description of European foreign policies, the nations of Europe usually:

- ☐ became involved in disputes with one another
- ☐ followed a neutral course in their dealings with one another
- ☐ maintained friendly, cooperative relations with one another

became involved in . . .

8.

REFER TO PANEL 1

What reasons did Washington give for recommending that America keep out of European affairs?

- ☐ Involvement in European affairs might have lead us into a war.
- ☐ Involvement in European affairs might have resulted in America's losing its independence.
- ☐ Involvement in European affairs might have prevented America from developing into a wealthy nation.
- ☐ America's concerns and ambitions were different from those of European nations.

. . . might have lead us into . . .

. . . prevented America . . .

America's concerns and . . .

9.

REFER TO PANEL 1

What did Washington mean when he said it would be unwise for America to have "unnatural ties" with European nations?

- ☐ America should not trade with any European nation.
- ☐ America should not be on friendly terms with any European nation.
- ☐ America should not get into an alliance with any European nation.

. . . get into an alliance with . . .

10.

REFER TO PANEL 1

Why did Washington believe America could remain neutral in European affairs?

- ☐ America was so distant from Europe.
- ☐ America was too weak to help any other nation.
- ☐ The European nations wanted America to keep out of their affairs.

. . . America was so distant. . .

11.

REFER TO PANEL 1

Washington warned America not to become "entangled in the problems of European rivalry."

To become entangled means to be caught up in a complicated situation.

Rivalry is competition.

What did Washington mean by the statement quoted above?

- ☐ European nations were trying to out-do one another, and America should keep out of it.
- ☐ European nations were competing with America, and America should remain neutral.
- ☐ European nations were not getting along with one another, and America should try to help them settle their problems.

. . . trying to out-do one . . .

12.

CHOOSE from the words below to complete the following sentences:

alliance
entanglement
neutrality
rivalry

A nation that tries to stay out of the affairs of other nations is following a policy of _____.

neutrality

Nations that are trying to compete with one another are involved in a(n) _____.

rivalry

Nations that make a formal agreement to join together are forming a(n) _____.

alliance

13.

Which of the following did Washington favor?

- ☐ becoming entangled in European rivalries
- ☐ joining an alliance to strengthen national defense
- ☐ remaining neutral in European disputes
- ☐ trading with other nations

remaining neutral in . . .

trading with other nations

14.

In 1823, President James Monroe made a formal statement of foreign policy which strengthened and broadened America's neutrality. His statement came to be known as the Monroe Doctrine.

The Monroe Doctrine stated that America would not meddle in the affairs of Europe, and that Europe should keep out of American affairs. From the above context, you can infer that the word "meddle" means:

- ☐ stay out
- ☐ interfere
- ☐ remain neutral

interfere

The Monroe Doctrine showed that America:

- ☐ was expanding its policy of neutrality
- ☐ was giving up its policy of neutrality
- ☐ was weakening its policy of neutrality

was expanding its policy . . .

15.

In the Monroe Doctrine, the United States stated that the independence of the Western Hemisphere nations was mainly a United States' concern, and that interference by Europe would not be permitted. This policy of cooperation and neutrality among the nations of the Western Hemisphere is known as Pan-Americanism.

Pan-Americanism refers to the relations between:

- ☐ the countries of North and South America
- ☐ the nations of the Eastern and Western Hemispheres
- ☐ the United States and European nations

the countries of North and . . .

16.

To be isolated means to be separate from all others.

The Monroe Doctrine told the world that America was adopting an isolationist position.

Which of the following are examples of a foreign policy of isolationism?

- ☐ a nation joining military alliances to protect itself
- ☐ a nation meddling in the domestic affairs of foreign nations
- ☐ a nation refusing to become entangled in the affairs of other nations
- ☐ a nation remaining neutral in rivalries among other nations
- ☐ a nation taking sides in disputes involving other nations

a nation refusing to become . . .

a nation remaining neutral . . .

17.

Which of the following were included in the foreign policy stated in the Monroe Doctrine?

- ☐ Europe should not meddle in the affairs of the Western Hemisphere. — Europe should not meddle . . .
- ☐ America was giving up its policy of isolationism.
- ☐ America was continuing its policy of neutrality. — America was continuing . . .
- ☐ America would not become entangled in European affairs. — America would not become . . .

18.

The position stated in the Monroe Doctrine was followed for nearly a hundred years. Then, in 1914, rivalries between two alliances of European nations exploded into World War I. America remained neutral as long as possible, but when Germany sank three American merchant ships, we were forced to join in the fight against Germany.

Was America violating the Monroe Doctrine by entering World War I?

- ☐ Yes, because the Monroe Doctrine stated that America would not meddle in European affairs.
- ☐ No, because the Monroe Doctrine stated that America would not stand for any interference in its affairs by European nations. — . . . stated that America . . .
- ☐ No, because the Monroe Doctrine was no longer in effect.
- ☐ Yes, because the Monroe Doctrine stated that America would never enter a European war for any reason.

19.

World War I ended with the defeat of Germany and her allies. The peace treaty* drawn up by the victorious nations included a plan for an organization of nations aimed at keeping peace in the world. This international organization was called the League of Nations. It was also known as the Geneva League because its headquarters was in Geneva, Switzerland.

The purpose of the Geneva League was to:

- ☐ continue the policy of the Monroe Doctrine
- ☐ encourage all nations to follow an isolationist policy
- ☐ keep war from breaking out anywhere in the world

keep war from breaking . . .

*A peace treaty is an agreement among nations to end a war. In the treaty, the winning side sets down the conditions that the defeated side must agree to.

20.

Because most Americans opposed America's entry into the League of Nations, Congress voted against joining it.

Those who opposed the plan felt that America should return to its traditional policy, devote itself to its own national interests, and remain apart from the affairs of other nations. This attitude is called nationalism.

Why did America refuse to enter the Geneva League?

- ☐ It was opposed to an isolationist foreign policy.
- ☐ It wished to avoid any entangling alliances.
- ☐ It was not interested in world peace.

It wished to avoid any ....

Which of the following are examples of a nationalistic foreign policy?

- ☐ the Monroe Doctrine
- ☐ neutrality
- ☐ isolationism

the Monroe Doctrine
neutrality
isolationism

21.

A country with a nationalistic attitude is concerned about giving up its sovereign* rights.

It wants to retain (keep) the power to make its own foreign policy decisions. To join an international organization, a nation must agree to follow the policies set by that organization.

These facts explain why:

- ☐ America entered World War I
- ☐ the Monroe Doctrine was issued
- ☐ the United States stayed out of the League of Nations

*Sovereign means independent of any higher authority.

the United States stayed . . .

22.

Any nationalistic country wants to keep apart from other nations and devote itself to its own interests. Since its independence, America's main concern was to develop its economy. The nation wanted to be economically self-sufficient so that it would not have to depend on getting goods from other countries.

From this passage, you can infer that America probably:

- ☐ favored international trade
- ☐ set up protective tariffs
- ☐ wanted to increase its imports

set up protective tariffs

23.

Which of the following statements would a person who believes in nationalism be likely to make?

- ☐ It is unpatriotic to buy foreign made goods.
- ☐ True Americanism means working for world peace.
- ☐ High tariffs are bad because they block free trade.
- ☐ International organizations threaten a nation's sovereignty.
- ☐ Protective tariffs aid in the development of a nation's economy.

It is unpatriotic to buy . . .

International organizations . . .

24.

Internationalism is the idea that every nation should work for cooperation among all the countries of the world.

Which of the following statements would a person who believes in internationalism be likely to make?

- ☐ Tariff barriers should be done away with, so all nations can trade freely with one another.
- ☐ True Americanism means working for world peace.
- ☐ International organizations are bad because each member nation must give up some of its independence.
- ☐ World organizations are our only hope for peace and prosperity for all nations.

Tariff barriers should be . . .

True Americanism . . .

World organizations . . .

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25. INFORMATION FRAME Following World War I, America pursued its nationalistic policy and worked for its own economic development. Meanwhile, Italy, Germany, and Japan formed an alliance, and began trying to take over other nations. America tried to remain neutral when World War II broke out in Europe. But when Japan attacked Pearl Harbor, an American military base in Hawaii, the United States joined with Russia, Britain, and China to fight for democracy. By 1945, Germany, Japan, and Italy had been defeated. NO RESPONSE REQUIRED	GO ON TO THE NEXT FRAME
26. The United States came out of World War II the most powerful nation in the world. The nation realized that, with her size and wealth, she could no longer remain apart from the world affairs. The world regarded America as the leader of all democratic nations. After World War II: ☐ the United States planned to continue her "no entanglement" policy ☐ the United States was no longer able to maintain her isolationism	. . . was no longer able . . .

27.

REVIEW FRAME

A nation which has an isolationist foreign policy would probably:

- ☐ remain neutral in disputes between foreign nations
- ☐ form alliances with foreign nations
- ☐ maintain a nationalistic policy
- ☐ become entangled in conflicts between other nations

remain neutral . . .

maintain a nationalistic . . .

Which one of the following best describes the history of America's foreign policy?

- ☐ America's foreign policy has changed back and forth between nationalism and involvement with other nations.
- ☐ America has always been an isolationist nation, and still tries to maintain that position.
- ☐ America tried to follow a nationalistic policy throughout its history, but has recently become more involved in international affairs.

America tried to follow . . .

FILL IN THE BLANKS in the following sentences by choosing the correct words from the list below:

Monroe Doctrine
League of Nations
Pan Americanism

America warned Europe not to meddle in the affairs of the Western Hemisphere in the _____.

Monroe Doctrine

The first international organization devoted to trying to keep world-wide peace was the _____.

League of Nations

15

28.

You have seen how America's foreign policy developed from isolationism to playing a major role in international affairs.

Her new role is illustrated in many ways. For example, the United States is a strong supporter of the United Nations, an international organization designed to "establish and maintain a just and lasting peace." The United States gives economic aid to the developing nations of the world.

We have also formed a number of military alliances, to protect ourselves and other nations from aggression. At the same time, however, we are working toward a system of world disarmament, under which all nations would gradually reduce their supply of weapons.

The United States has found that its own interests call for close relationships with other countries. All nations today find it impossible to remain isolated from the world community. Modern improvements in transportation and communication have made the world so small that no nation can afford to follow a completely nationalistic policy.

Time completed _____

YOU HAVE NOW FINISHED THE FIRST PART OF THIS LESSON. WRITE DOWN THE TIME. THEN, AFTER YOU HAVE REVIEWED THE MAIN IDEAS IN THE FOLLOWING SUMMARY, TAKE THE MASTERY TEST AT THE END OF THE BOOKLET.

FOREIGN POLICY	A policy is a way of doing something. Foreign policy is the way one nation deals with other nations. This policy affects trade, as well as political and military affairs between nations.
NEUTRALITY	a foreign policy adopted by a nation aiming to keep itself out of foreign affairs that do not directly concern it. Switzerland has long been a neutral country in international affairs.
ALLIANCE	an agreement among nations who join together for their common interests. An alliance can be for military, political and/or economic purposes.
MONROE DOCTRINE	a statement of America's foreign policy by President James Monroe in 1823. This policy announced that America should not interfere in European affairs and that Europe should keep out of American affairs.
PAN-AMERICANISM	a policy established between the countries of North and South America at the time of the Monroe Doctrine. The nations in the Western Hemisphere agreed to cooperate with each other maintaining their independence and neutrality concerning European affairs.
ISOLATIONISM	a neutralist foreign policy. A nation adopting an isolationist policy refuses to become involved in affairs of other nations and remains neutral in disputes among nations. The Monroe Doctrine was an example of an American isolationist policy.

LEAGUE OF NATIONS (The Geneva League)	an international organization formed after World War I to help keep peace in the world. Its headquarters were in Geneva, Switzerland.
NATIONALISM	an attitude which says the government should concern itself with domestic or national affairs and should not become entangled* in any foreign alliances. *To become <u>entangled</u> means to become involved in complicated attachments.) Neutrality and isolationism are examples of nationalistic policies. A person who believed in nationalism would not have been in favor of joining the League of Nations.
SOVEREIGN RIGHTS	the right of a nation to maintain its political independence, establish its own government and decide its own foreign policy. A sovereign is a person, state, or nation with the greatest power; there is no authority higher than a sovereign. Just after World War I, the United States was not in favor of giving up her sovereign right to make her own foreign policy decision and therefore she did not join the League of Nations.
INTERNATIONALISM	an idea that nations should work together for world peace and prosperity.

MASTERY TEST

Time started _____

1. CHECK any of the following which characterize America's foreign policy until World War I:

   a. ☐ entanglements

   b. ☐ alliances

   c. ☐ isolationism

   d. ☐ neutrality

   e. ☐ nationalism

2. MATCH the ideas on the left with their expressions on the right.

A. League of Nations	1. _____ Nations of North and South America should co-operate.
B. Monroe Doctrine	2. _____ All nations should work together to establish and maintain world peace.
C. Pan Americanism	3. _____ The United States will not interfere in the affairs of European nations.
	4. _____ Europe is warned to stay out of domestic affairs of the nations of the Western Hemisphere.

3. Why are many nations unwilling to give greater power to international organizations? (CHECK one)

   a. ☐ They feel that such organizations would increase the threat of war.

   b. ☐ They fear that this would increase rivalries among nations.

   c. ☐ They do not want to relinquish their sovereignty.

NOTE: Skip one(1) page to find page 21 and continue with question 4.

4. CHECK every item below which is an example of a nation's foreign policy.

   a. ☐ joining an international organization devoted to keeping world peace

   b. ☐ entering into a military alliance **to protect itself from attack**

   c. ☐ maintaining a neutral position during a war

   d. ☐ carrying on trade relations with other nations

   e. ☐ providing government aid to help develop domestic industries

5. Which of the following represents a change in America's traditional foreign policy?

   a. ☐ issuing the Monroe Doctrine

   b. ☐ staying out of the Geneva League

   c. ☐ joining the United Nations

   d. ☐ trying to avoid involvement in world conflicts

Time completed _____

WHEN YOU HAVE FINISHED THIS TEST, WRITE DOWN THE TIME. THEN TAKE THE LESSON TO YOUR INSTRUCTOR OR HIS ASSISTANT FOR CHECKING. WAIT UNTIL THE LESSON IS APPROVED BEFORE GOING ON TO THE NEXT LESSON.

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